VZCZCXRO6281 OO RUEHROV DE RUEHDS #2945/01 3020754 ZNY CCCCC ZZH O 280754Z OCT 08 FM AMEMBASSY ADDIS ABABA TO RUEHC/SECSTATE WASHDC IMMEDIATE 2524 INFO RUCNIAD/IGAD COLLECTIVE RUEHFR/AMEMBASSY PARIS 1787 RUEHLO/AMEMBASSY LONDON 3233 RUEAIIA/CIA WASHINGTON DC RUEPADJ/CJTF HOA RUEKDIA/DIA WASHINGTON DC RHMFISS/HQ USAFRICOM STUTTGART GE RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHINGTON DC RHEHAAA/NSC WASHDC RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 ADDIS ABABA 002945

SIPDIS

DRL FOR A/S KRAMER

E.O. 12958: DECL: 10/27/2018

TAGS: PHUM PGOV PREF EAID ECON ET

SUBJECT: A/S KRAMER PRESSES PRIME MINISTER MELES ON CSO
LAW, POLITICAL SPACE

REF: ADDIS ABABA 2103

Classified By: Ambassador Donald Yamamoto. Reasons 1.4 (b) and (d).

## Summary

11. (C) Assistant Secretary of State for Democracy, Human Rights, and Labor (DRL) David J. Kramer met with Prime Minister Meles Zenawi on October 20 to discuss continued United States Government (USG) concerns over Ethiopia's draft Civil Society Organizations (CSO) law and the overall narrowing of political space in Ethiopia. Meles said that the CSO law is tailored to address a "lack of accountability" between civil society organizations and their constituents, and argued that CSOs that cannot survive without foreign  $\,$ funding should probably not survive. A/S Kramer offered specific suggestions for mitigating the potentially adverse effects of the CSO law on CSOs that receive foreign funding to conduct important advocacy work, such as child protection, women's rights and conflict resolution and noted that "carve-outs" might be appropriate for certain programs funded by bilateral partners. A/S Kramer encouraged the Prime Minister to underscore more publicly his commitment to political space and explain how Ethiopia's recent legislative initiatives, such as the CSO law, are not intended to deter legitimate advocacy. End Summary.

CSO Law: Revisions But No Major Changes

12. (C) A/S Kramer met with PM Meles on October 20 to discuss continued USG concerns over Ethiopia's draft CSO law and the overall narrowing of political space in Ethiopia. Noting that Ethiopia is the only country he has visited twice during his tenure, A/S highlighted the strong bilateral relationship between the United States and Ethiopia before turning to the CSO law. Meles said the fundamental provisions and intent of the law have not changed substantively since the first draft was circulated earlier this year. Meles described the law as "largely permissive" and an "acceptable democratic alternative" for the regulation of CSOs, noting that the law is misunderstood by outside observers. Meles said the Ethiopian government (GOE) would resist revisions to "core" issues, but added that the GOE remains flexible on peripheral matters. By way of example, the PM cited Ethiopia's willingness to entertain certain revisions proposed by donors, such as the provision permitting court appeals on

matters of both law and fact and the elimination of an annual reporting requirement on CSO organizations' "activities."

13. (C) A/S Kramer offered a series of specific proposals to mitigate the draft CSO law's potentially adverse impact on USG programs, particularly in the area of democracy and governance and related to advocacy more generally. A/S Kramer suggested creating possible carve-outs for USG, European Union, and United Nations-funded projects, citing a recent similar initiative in Jordan; or, in the alternative, carve-outs for certain sectors that necessitate advocacy, such as the rights of children and the disabled and conflict resolution. A/S Kramer further suggested the law take a phased approach for those non-governmental organizations (NGOs) currently receiving foreign funding significantly in excess of the law's 10 percent cap. The Assistant Secretary asked Meles to re-examine the 30 percent administrative spending cap and the provisions that criminalize violations of the CSO law, and also to ensure the draft law complies with the International Convention on Civil and Political Rights (ICCPR). Meles submitted that "carve-outs" are already available under the draft CSO law in the form of bilateral agreements between donors and the GOE, but A/S Kramer countered that such provisions are unclear and may be excessively bureaucratic and unpredictable. Meles said that the 30 percent administrative spending cap is designed to limit corruption and distorted incentives for NGO principles; A/S Kramer suggested that donors were in a better position to judge how much was too much in administrative overhead.

The Reasons Behind the CSO Law

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14. (C) Meles said the CSO law is tailored to address a "lack of accountability" between civil society organizations and their constituents. Since foreign funding is "not earned,' he argued, it produces money streams independent of its membership, automatically "inverting an organization's accountability away from its constituents" and creating "networks of rent-seeking" NGOs and NGO heads. Meles cited political parties, including the ruling-party, and civil society advocacy organizations as particularly "guilty" of denying their members a voice while benefiting from their own disproportionate use of "undemocratic, unearned money." Meles further argued that international norms generally prohibit foreign funding related to a given country's internal politics; and, since "citizen's rights" are necessarily political, CSO restrictions are warranted. When A/S Kramer said that certain sectors, such as conflict resolution and children's rights should not be considered inherently political, Meles responded that, in his view, conflict resolution typically deals with issues of land, water, religion, which are inherently political. Meles also cited Ethiopia's desire to curb the influence of Wahabists and the Iranians as a secondary motivation behind the CSO law.

## &Natural Selection8 of NGOs

¶5. (C) A/S Kramer emphasized that many current NGOs might have to close shop under the CSO law's strong foreign funding restrictions. Meles posited that the law will trigger a "process of natural selection" where "only those that deserve to survive will survive." If citizens value certain rights, he said, they will contribute their own time and money to these causes, as they did 30 years ago before foreign donations. In contrast, those that are reliant on USG and other foreign funding are "useless," because they could be "shut off today." A/S Kramer suggested that Meles view donor-funded projects as transitional, designed to last only until such organizations are domestically independent and accountable.

- 16. (C) A/S Kramer observed that since the 2005 elections and tragic aftermath, Ethiopia's recent legislative initiatives, such as the CSO law and the recent press law, together with the process and conduct of April's local and by-elections, appeared to signal a narrowing of political space in advance of the 2010 national elections. Meles admitted that some GOE actions could be seen as narrowing the political space but argued that the government's legislative initiatives actually expand space for "legitimate" people and discourse while retaining for the government the necessary powers to combat individuals seeking to undermine the constitution. A/S Kramer encouraged the Prime Minister to underscore more publicly his commitment to political space and explain how these new laws are not intended to hinder it.
- $\P$ 7. (U) A/S Kramer has cleared this cable. YAMAMOTO